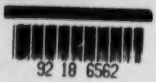

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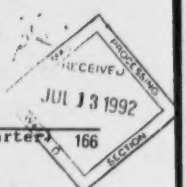
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 31, 1992
Commission File No. 0-8100



BENNETT PETROLEUM CORPORATION
(Exact name of registrant as specified in its charter)

Colorado	84-0620967
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification NO.)

1580 Lincoln Street, Suite 630, Denver, CO 80203
(Address of principal executive offices and Zip Code)

(303) 832-1555
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes X No _____

As of June 30, 1992, there were 31,665,674 shares of Common Stock, par value $.01 per share, outstanding.

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BENNETT PETROLEUM CORPORATION

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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

BENNETT PETROLEUM CORPORATION

Balance Sheets

	May 31, 1992 (Unaudited)	August 31, 1991
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,583	$243,234
Accounts receivable, with no allowance considered necessary	37,234	71,136
Total current assets	41,817	314,370
Property and equipment, at cost:		
Oil and gas properties (successful efforts method):		
Unproved properties	259,135	319,135
Drilling in progress	-	150
Proved properties	271,958	335,415
Accumulated depletion, depreciation and impairment	(147,423)	(282,153)
	383,670	372,547
Other property and equipment	64,248	75,642
Accumulated depreciation	(38,636)	(37,655)
	409,282	410,534
Other assets, net	5,871	3,371
	$456,970	$728,275

See accompanying notes to financial statements.

BENNETT PETROLEUM CORPORATION

Balance Sheets
(Continued)

	May 31, 1992 (Unaudited)	August 31, 1991
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$195,217	$ 7,883
Oil and gas sales payable	-	276
Current portion of notes payable	14,654	106,080
Advances from participants	-	80,351
Due to related parties	10,679	110,595
Total current liabilities	220,550	305,185
Notes Payable	-	13,035
Deferred liability	8,705	34,820
	229,255	353,040
Stockholders' equity:		
Common stock, par value $.01. Authorized 50,000,000 shares; issued and outstanding 31,665,674 shares	316,657	316,657
Additional paid-in capital	897,752	897,752
Accumulated deficit	(979,600)	(832,080)
	234,809	382,329
Treasury stock, at cost	(7,094)	(7,094)
	227,715	375,235
	$456,970	$728,275

See accompanying notes to financial statements.

BENNETT PETROLEUM CORPORATION
Statements of Operations
(Unaudited)

	Nine Months Ended May 31,		Three Months Ended May 31,	
	1992	1991	1992	1991
Operating revenues:				
Oil and gas sales	$ 285,634	$ 651,069	$103,672	$151,558
Gain on sale of properties	(58,793)	357,681	-	8,364
Operating fees	15,221	47,124	-	7,613
Other	26,115	26,115	8,705	8,705
	268,177	1,081,989	115,377	176,240
Operating expenses:				
Oil and gas production	60,378	308,958	19,307	81,285
Dry holes, abandonments, delay rentals and other exploration costs	65,203	411,744	4,327	27,748
Depreciation and depletion	14,580	49,865	4,796	18,452
General and administrative	271,108	275,351	77,341	64,526
	411,269	1,045,918	105,771	192,011
Income (Loss) from operations	(143,092)	36,071	9,606	(15,771)
Other income (expense):				
Interest income	2,369	10,933	66	884
Interest expense	(8,222)	(28,457)	(1,910)	(9,949)
Other	1,425	4,627	11	1,499
	(4,428)	(12,897)	(1,833)	(7,566)
Income (Loss) before provision for income taxes and extraordinary credit	(147,520)	23,174	7,773	(23,337)
Provision for income taxes	-	7,879	-	-
Income (Loss) before extraordinary credit	(147,520)	15,295	7,773	(23,337)
Utilization of tax loss carry forward	-	7,879	-	-
Net income (loss)	$(147,520)	$ 23,174	$ 7,773	$(23,337)
Net income (loss) per share before extraordinary credit	$(.01)	$.00	$.00	$(.01)
Net income (loss) per share	$(.01)	$.00	$.00	$(.01)
Weighted average shares outstanding	31,665,674	31,665,674	31,665,674	31,665,674

See accompanying notes to financial statements.

BENNETT PETROLEUM CORPORATION

Statements of Cash Flows

For the Nine Months Ended May 31, 1992 and 1991
(Unaudited)

	1992	1991
Cash flows from operations:		
Cash received from the sale of oil and gas	$302,653	$602,691
Cash paid to suppliers and employees	(353,883)	(785,699)
Net increase (decrease) in drilling advances	(80,351)	158,169
Interest and other received	19,015	62,684
Interest and other paid	(8,222)	(28,457)
Net cash used in operating activities	(120,788)	9,388
Cash flows from investing activities:		
Lease acquisitions	-	(232,901)
Drilling and dry hole costs	(21,815)	(47,247)
Additions to proved properties	(6,337)	(179,885)
Cash received from the sale of properties	14,750	394,902
Additions to other property and equipment	-	(7,194)
Net cash used in investing activities	(13,402)	(72,325)
Cash flows from financing activities:		
Borrowings	-	300,000
Repayment of debt	(104,461)	(159,500)
Net cash provided by (used in) financing activities	(104,461)	140,500
Net increase (decrease) in cash	(238,651)	77,563
Cash and cash equivalents at beginning of period	243,234	43,596
Cash and cash equivalents at end of period	$ 4,583	$121,159

See accompanying notes to financial statements.

BENNETT PETROLEUM CORPORATION

Statements of Cash Flows
(Continued)
For the Nine Months Ended May 31, 1992 and 1991
(Unaudited)

	1992	1991
Reconciliation of net income to net cash used in operating activities:		
Net income (loss)	$(147,520)	$(23,337)
Ajustments:		
Decrease (increase) in accounts receivable	33,902	59,334
Loss (gain) on sale of properties	58,793	(357,681)
Property abandonments	18,938	355,709
Loss on sale of vehicle	5,235	-
Reduction in liability	(26,115)	(26,115)
Depreciation, depletion and impairments	14,580	49,865
Increase in other assets	(2,500)	(5,705)
Increase (decrease) in accounts payable (excluding $82,892 of additions to producing properties in 1992)	104,442	(167,386)
Increase (decrease) in oil and gas sales payable	(276)	(16,501)
Increase (decrease) in advances from participants	(80,351)	158,169
Decrease in amounts due related parties	(99,916)	(16,964)
Net cash provided from (used in) operating activities	$(120,788)	$ 9,388

See accompanying notes to financial statements.

BENNETT PETROLEUM CORPORATION

Notes to Financial Statements
May 31, 1992
(Unaudited)

(1) Basis of Presentation

In the opinion of management, the accompanying financial statements of Bennett Petroleum Corporation (the "Company") contain all adjustments (consisting of only normal and recurring adjustments) necessary to present fairly the financial position of the Company as of May 31, 1992 and August 31, 1991, the results of its operations for the nine months ended May 31, 1992 and 1991 and the three months ended May 31, 1992 and 1991 and the cash flows for the nine months ended May 31, 1992 and 1991.

Certain information normally included in financial statements prepared in accordance with generally accepted accounting principles has been omitted pursuant to Securities and Exchange Commission rules and regulations.

(2) Conversion of Preferred Stock

On April 12, 1991 at the Company's Annual Shareholders' Meeting, the shareholders voted to convert each outstanding share of Class A and Class B Preferred Stock into two shares of Common Stock effective April 30, 1991. The conversion was accounted for by increasing stated capital by $54,199 for the additional Common Stock that was issued, and by decreasing additional paid-in capital by an equal amount. Although the books reflect a complete conversion, not all Preferred shares had been physically converted at May 31, 1992.

(3) Note Payable to Bank

During September 1990, the Company obtained a $300,000, two-year installment loan collateralized by its primary producing property and guaranteed by an officer and director of the Company. The agreement calls for monthly payments of $12,500 plus interest at an annual rate of prime plus 2%, 8.5% at June 30, 1992. In addition to the monthly principal installments, the bank is to receive additional principal payments equal to 25% of all oil revenue from the secured property exceeding $20,000 in any given month. The final installment payment on this loan was paid in June, 1992.

(4) Loss on Sale of Properties

During November 1991, the Company sold two marginal producing properties for $14,750, and booked a combined loss of $58,793 on the two transactions.

(5) Exploration Costs

During October 1991, the Company drilled a dry hole in Illinois in which it owned a 60% working interest. Drilling and leasehold costs relating to this abandoned prospect totaled $20,840. Other exploration costs expended in fiscal 1992 consisted of consulting and travel relating to the evaluation of several exploration prospects that were not acquired. In December 1991, substantially all exploration activities were suspended in anticipation of the proposed merger (see Note 6 below).

(6) The Merger

On December 23, 1991, the Company signed a letter of intent to be acquired by Abraxas Petroleum Corporation, a San Antonio based oil and gas exploration and production company ("Abraxas"). As consideration for the merger, the existing shareholders of the Company would receive aggregate consideration consisting of approximately $900,000 in cash and up to 186,000 shares of Abraxas common stock. It is anticipated that a special meeting of shareholders will be held in July to vote on the proposed merger.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Liquidity and Capital Resources

Having used a significant portion of the proceeds from sales of certain of its oil and gas interests at the end of fiscal 1991 to retire much of its bank debt and obligations to its president and principal shareholder, the Company had no material commitments for debt service at May 31 1992, other than obligations incurrred in the ordinary course of business and in negotiations for and effectuation of the merger agreement with Abraxas Petroleum. The Company is obligated to pay its share of a waterflood project which has been undertaken on its principal producing property, the Happy Field in Texas. The Company has reached an agreement with the operator of that property to pay its share of the project, an aggregate of approximately $167,000, out of production, rather than in advance as is common in the industry.

The Company's principal capital commitment for fiscal 1992 is for salaries and expenses related to the Abraxas merger. Fixed expenses for delay rentals have been reduced to almost zero as the Company is allowing leases covering its undeveloped acreage in California to expire, and delay rentals for other such acreage have been paid in advance.

Time spent in effectuating the Abraxas merger has reduced the Company's promotional activities. The Company is not now actively promoting its two remaining undeveloped properties and is spending substantially less time attempting to find properties of others to promote. No contracts or agreements to sell all or part of the Company's remaining undeveloped prospects are pending or in negotiation. The Company will consider proposals to sell or develop these properties.

At May 31, 1992, the Company had a working capital deficit of $178,747, a significant increase in the deficit of $9185 at the end of the third fiscal quarter in 1991. The largest component of the deficit at May 31, 1992, are accounts payable of $195,217, due to the reduced income from its oil and gas properties, costs incurred in negotiating and effectuating the Abraxas merger agreement, and costs of the waterflood project on the Happy Field in Texas. While current liabilities have been reduced by nearly $85,000 from May 31, 1991 to the same date in 1992, principally as a result of the payment of bank loans and debts to affiliates, those payments and overhead expenses reduced cash on hand by near $240,000.

Upon approval and effectuation of the merger with Abraxas, which management anticipates in view of the intended favorable vote by its majority shareholder, the Company's liabilities will be assumed by Abraxas. As such, the Company has not investigatged external sources of liquidity, and none are currently available.

Results of Operations

Results of Operations

For the nine months ended May 31, 1991, the Company generated income (before an extraordinary credit for tax loss carry-forward) of $15,295, as compared to a net loss for the same period in fiscal 1992 of $147,520. For the three-month period ended May 31, 1992, however, the Company posted net income of $7,773 as compared to a net loss of $23,337 for the same period in fiscal 1991. Total revenues for the nine months ended May 31, 1992 decreased $813,812 from the revenues generated during the same period in fiscal 1991, primarily due to a 44% decrease in oil and gas sales and a $58,793 loss on property sales in 1992 compared to a $357,681 gain in 1991.

The decrease in oil and gas revenue was due to the sale of approximately fifty producing wells in Crockett County, Texas at the end of fiscal 1991, and to the significant decrease in the price of oil and in quantities sold during the first nine months of fiscal 1992 compared to the price and quantities sold during last year's Persian Gulf crisis. The sale of the Company's Crockett County wells also resulted in an 81% reduction in production expenses. Oil and gas sales accounted for 87% of total revenue for the first nine months of fiscal 1992 (exclusive of the loss on property sales) as compared to 60% for the same period in fiscal 1991.

The waterflood facility on the Happy Field was completed during the third quarter of fiscal 1992, and water is currently being injected into the wells. The successful completion of this facility was the final requirement of the Texas Railroad Commission for increasing the field's allowable production. When water injection began in April, 1992, the field's allowable production rate was increased. Substantially all of the Company's oil and gas revenues during fiscal 1992 will be attributable to the Happy Field.

The $357,681 gain on property sales for the first nine months of fiscal 1991 was generated through the sale of undeveloped prospects while the $58,793 in losses for the same period in 1992 resulted from the sale of marginally producing properties. Generally, the gains represent the price paid by co-venture partners for interests in certain properties over the Company's acquisition costs. The Company's decrease in prospect generation, acquisition and promotional activities resulted in a $346,541 (84%) decrease in exploration costs during the nine-month period ended May 31, 1992, compared to such costs incurred during the same period in fiscal 1991. Exploration costs all are nonrecurring discretionary expenditures which are incurred based on the availability of funds.

Operating fees decreased from $37,124 for the first nine months of fiscal 1991 to $15,421 for the same period in fiscal 1992 due to a reduction in the Company's drilling activity and to termination of the Company's role as operator of the Happy Field. The $26,115 of other income in the first nine months of both 1991

and 1992 resulted from changes in estimates of the potential liability which the Company has carried on its books for more than five years and which, by this time, is increasingly unlikely of assertion.

The $48,580 (80%) decrease in production expense in the first nine months of 1992 is directly related to the sale at the end of fiscal 1991, of the Company's interests in approximately fifty producing wells in Crockett County, Texas. That sale caused depreciation, depletion, and impairment expenses to decrease by $35,285 (71%) for the first three fiscal quarters of 1992.

General and administrative expense experinenced a nominal decrease because, although the Company's oil and gas activities decreased, nonrecurring expenses from the Abraxas merger caused an increase in legal and accouting costs and travel expenses.

Use of the Company's cash reserves to pay down debt obligations caused a decrease in both interest income and interest expense for the first nine months of fiscal 1992.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is not aware of any material legal proceedings involving either the Company or any officer, director, affiliate or control person as a party adverse to the Company or its properties either commenced or proceeding during the three months ended May 31, 1992.

Item 2. Changes in Securities

None.

Item 3. Default Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

On December 23, 1991, the Company signed a letter of intent to be acquired by Abraxas Petroleum Corporation, a San Antonio-based oil and gas exploration and production company. As consideration for the merger, the existing shareholders of Bennett will receive aggregate consideration consisting of approximately $900,000 in cash and up to 186,000 shares of Abraxas common stock, par value $.01 per share. The Regisitration Statement on Form S-4 filed by Abraxas with the Securities and Exchange Commission was

declared effective on July 8, 1992, and a special meeting of the Company's shareholders will be held the last week of July to vote on the proposed merger.

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

None

(b) Reports on Form 8-K

None

SIGNATURES

Pursuant to the requirement of the Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BENNETT PETROLEUM CORPORATION
(Registrant)

Date: July 10, 1992

By: Richard E. Bennett, President, Chairman of the Board, Director, Chief Executive Officer and Chief Financial Officer